

Message Text

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PAGE 01 TORONT 00825 072320Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 H-02 L-03 PA-02 PRS-01 /100 W
-----072346Z 111101 /70

R 071632Z APR 77
FM AMCONSUL TORONTO
TO SECSTATE WASHDC 5268
INFO AMEMBASSY OTAWA
AMCONSUL MONTREAL
AMCONSUL QUEBEC

UNCLAS TORONTO 0825

E.O. 11652: /A
TAGS: EFIN, CA, US
SUBJECT: CONTINUING TORONTO REACTION TO US TAX DEDUCTION
FOR CONVENTIONS

REF: STATE 67501

1. TORONTO MEDIA CONTINUE TO GIVE STEADY ATTENTION TO EFFECTS
OF US TAX LAW CHANGE REGARDING DEDUCTIBILITY OF FOREIGN CONVENTION
EXPENSES ON TORONTO TOURIST INDUSTRY. IN ADDITION, LOCAL
POLITICIANS ARE USING THE ISSUE AS OCCASION FOR POSITIVE PUBLIC
RELATIONS.

2. TORONTO MEDIA PLAYING CURRENT BOYCOTT BY TAXI DRIVERS OF
SHERATON CENTRE HOTEL AS REALLY RESULTING FROM DECLINE IN BUSINESS
WHICH HAS FOLLOWED ON NEW US TAX MEASURE. HOTEL RECENTLY ARRANGED
DIRECT BUS SERVICE TO AND FROM AIRPORT FOR DOLS 3.25 A PASSENGER
AND CABBIES ARE PROTESTING LOSS OF BUSINESS FOR WHICH THEY
WOULD NORMALLY CHARGE DOLS 11 TO DOLS 14. WHILE BOYCOTT ACTION PROBABLY

MORE REFLECTIVE OF GENERAL ECONOMIC DIFFICULTIES FACED
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BY MILITARNT CABBIES -- THEY ARE ALSO FIGHTING FOR RATE
INCREASES AND FOR IMPORVED PRIVILEGES AT TORONTO AIRPORT --
PRESS HAS TIED SITUATION TO EFFECTS OF US LAW SO THAT
TELEVISION NEWS COVERAGE TENDS TO BEGIN WITH CABBIES
PICKETING HOTEL AND TO END WITH STATEMENT BY CHAIRMAN TORONTO
TOURISM BOARD THAT CANADA WILL PROBABLY HAVE TO TRADE OFF
ITS TAX MEASURES AFFECTING US TELEVISION BORDER STATIONS

AND CHANGE ITS OWN CONVENTION TAX DEDUCTIONS TO INDUCE
CHANGES IN US LAW.

3. INDICATIVE OF POLITICAL USE OF A "FREEVIE" ISSUE BY
MUNICIPAL AND PROVINCIAL POLITICIANS, PROVINCIAL LIBERAL
LEADER STUART SMITH TOLD ONTARIO LEGISLATIVE ASSEMBLY APRIL 5
THAT PROGRESSIVE CONSERVATIVE MINORITY GOVERNMENT OF ONTARIO
SHOULD PRESS THE CANADIAN FEDERAL GOVERNMENT TO ASK THE US
TO RESTORE THE TAX REDUCTION FOR AMERICANS ATTENDING CONVENTIONS
IN CANADA. SMITH TOLD THE LEGISLATURE THAT SIX MAJOR CON-
VENTIONS DURING THE FIRST TWO MONTHS OF THIS YEAR WERE CANCELED
BECAUSE OF THE TAX CHANGES.
DIGGINS

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Message Attributes

Automatic Decaptioning: X
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Sent Date: 07-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: TORONTO
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ISecure: 1
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